PRELIMINARY OFFICIAL STATEMENT DATED MAY 22, 2019

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

The Notes will **NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

$13,000,000
BYRON-BERGEN CENTRAL SCHOOL DISTRICT
GENESEE, MONROE AND ORLEANS COUNTIES, NEW YORK

$13,000,000 Bond Anticipation Notes, 2019

Dated: June 19, 2019 **Due: June 19, 2020**

The Notes are general obligations of the Byron-Bergen Central School District, Genesee, Monroe and Orleans Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

At the option of the purchaser(s), the Notes will be issued in registered book-entry form or registered in the name of the purchaser(s). If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk, Bergen, New York. In such case, the Notes will be issued as registered in the name of the purchaser in dominations of $5,000 or multiples thereof.

If the Notes are issued in registered in book-entry form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, and payment of principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct Participants, subject to any statutory and regulatory requirements as may be in the effect from time to time. See "BookEntry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving opinion as to the validity of the Notes of Harris Beach PLLC Pittsford, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser(s), on or about June 19, 2019.

Facsimile or telephone bids will be received WEDNESDAY, June 5, 2019 until 11:15 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS AS REQUIRED BY THE RULE.

DATED: May 23, 2019

BYRON-BERGEN CENTRAL SCHOOL DISTRICT
GENESEE, MONROE AND ORLEANS COUNTIES, NEW YORK

School District Officials

2018-19 BOARD OF EDUCATION

Debra List - President
Yvonne Ace-Wagoner - Vice President

Kimberly Carlson
William Forsyth
Tammy Menzie
Amy Phillips
Jennifer VanValkenburg

Mickey Edwards - Superintendent of Schools
Lori Prinz – School Business Administrator
Vicky Shallenberger – School District Treasurer
Rachel Stevens – District Clerk

School District Attorney

Harris Beach PLLC

BOND COUNSEL

Harris Beach PLLC

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

of the

BYRON-BERGEN CENTRAL SCHOOL DISTRICT
GENESEE, MONROE AND ORLEANS COUNTIES, NEW YORK
Relating To
$13,000,000 Bond Anticipation Notes, 2019

This Official Statement, which includes the cover page, has been prepared by the Byron-Bergen Central School District, Genesee, Monroe and Orleans Counties, New York (the "District", "County" and "State," respectively) in connection with the sale by the School District of $13,000,000 Bond Anticipation Notes, 2019 (the "Notes).

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "Tax Levy Limitation Law" herein.

The Notes are dated June 19, 2019 and mature, without option of prior redemption, June 19, 2020. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes, and at the option of each purchaser, may be registered to The Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of such purchaser.

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes, (See "Book-Entry-Only System" herein).

If the Notes are registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk, Bergen, New York. In such case, the Notes will be issued in registered form in denominations of $5,000, or multiples thereof.

Nature of the Obligation

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of bonds or notes.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a bond resolution dated June 21, 2018, authorizing the issuance of obligations of the District in the amount of $16,452,902 for the financing of an addition to, and the construction and reconstruction of District buildings and facilities.

The proceeds of the Notes will provide $13,000,000 in new monies for the aforementioned purpose.

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Book-Entry Only System

If the Notes are issued in registered book-entry form, The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. In such case, the Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission of them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults and proposed amendments to the Notes documents. For example. Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving reasonable notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Notes will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the state of New York to be named by the District. Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for the Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in Certificate of Determination executed by the President of the Board of Education authorizing the sale of the Notes and fixing the details thereof and in accordance with the Local Finance Law.

The District

General Information

The Byron-Bergen Central School District, centralized in 1952, covers approximately 77 square miles in the Towns of Batavia, Bergen, Byron, Elba, LeRoy and Stafford in Genesee County, the Towns of Riga and Sweden in Monroe County and the Town of Clarendon in Orleans County.

The School District provides public education for grades PreK-12 in two buildings located on a central campus. Interstate Route #490 and the New York State Thruway provide easy access to the City of Rochester, approximately 20 miles to the east. Opportunities for higher education are available in the Cities of Rochester, Brockport and Geneseo and at Genesee County Community College in Batavia.

The School District is essentially rural in character, with many residents commuting to the Cities of Rochester, Brockport, Batavia and LeRoy for employment.

Economic Developments

Genesee County EDC has notified the District that two new businesses will be starting up within the District during the Fall of 2019.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Elementary School	PK-4	1970	800	2018
Junior-Senior High School	5-12	1954	1200	2018
Gillam-Grant Natatorium	N/A	1973	N/A	2010
Bus Garage	N/A	2001	N/A	2018

Source: District Officials

District Employees

The District employs a total of 189 full-time and 7 part-time employees with representation by the various bargaining units listed below

Employees	Bargaining Unit	Expiration Date
104	Faculty Association - New York State United Teachers	6/30/2019[1]
5	School Administrator Association of New York State	6/30/2019[1]
33	Office Personnel & Teachers' Aide Association	6/30/2020
24	Non-Teaching Service Personnel SEIU Local 200	6/30/2021
13	Bus Driver Association	6/30/2021

Notes: 1. Currently Negotiating

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2014-15	1045	2019-20	960
2015-16	1005	2020-21	900
2016-17	955	2021-22	900
2017-18	976	2022-23	900
2018-19	966	2023-24	900

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). In the District's 2018-19 Budget, the appropriation for payments to ERS is $430,000.

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. In the District's 2018-19 Budget, the appropriation for payments to TRS is $878,000.

Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

• Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
• Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
• Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
• Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.
• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.
• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, legislation was signed into law that created a new Tier VI pension program, The Tier VI plan only applies to those employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% to 6% of salary; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under previous tiers, there was no limit to the number of public employers a public employee worked for from which retirement benefits could be calculated. Tier VI permits only two salaries to be included in the calculation. The pension multiplier for Tier VI is 1.75% for the first 20 years of service and 2% thereafter; Vesting will occur after 10 years of service. The final average salary is based on a five-year average instead of the previous Tiers' three-year average. Pension eligible overtime for civilian and non-uniformed employees will be capped at $15,000, indexed for inflation. For uniformed employees outside of New York City, the cap is set at 15% of base pay. The number of sick and leave days that can be applied toward retirement service credit is reduced from 200 to 100. The legislation includes an optional defined contribution plan for new non-union employees with annual salaries of $75,000 or more. The State is required to fund any pension enhancements on an ongoing basis. This is a potential future cost savings for local governments.

The average contribution rate for the ERS for the 2018-19 fiscal year is 14.9% and for the 2019-20 years is 14.6%. The average contribution rate for the TRS for the 2018-19 fiscal year is 10.62% and for the 2019-20 years it is estimated to be 8.86%.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

<u>Stable Rate Pension Contribution Option:</u> The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB") requires governmental entities, such as the School District, to account for the cost of certain non-pension post-employment benefits as it accounts for vested pension benefits.

GASB 75 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 75, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 75 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2018 and financial data as of June 30, 2018, the School District's beginning year total OPEB liability was $1,588,609, the net change for the year was $9,620, resulting in a total OPEB liability of $1,598,229 for a fiscal year ending June 30, 2018. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2018 financial statements.

The total OPEB liability• is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" bases. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both

Major Employers

Name	Nature of Business	Estimated Number of Employees	
Oxbo International Corp	Manufacturer	195	
Liberty Pump	Manufacturer	130	
Pavilion Gift Company	Warehouse Facility	52	
Bonduelle USA	Food Processing	41	Seasonal
Waste Management Landfill	Waste Management	30	

Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) are the Counties of Genesee, Monroe and Orleans. The data set forth below with respect to the Counties is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the School District is necessarily representative of the Counties or vice versa.

Year	Genesee County Unemployment Rate	Monroe County Unemployment Rate	Orleans County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2014	5.5%	5.8%	7.7%	6.3%	6.2%
2015	4.9%	5.1%	6.4%	5.3%	5.3%
2016	4.6%	4.7%	5.7%	4.8%	4.9%
2017	4.8%	4.9%	5.9%	4.7%	4.4%
2018	4.2%	4.3%	4.9%	4.1%	4.0%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted)

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School

District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

Form of School Government

The Board of Education which is the policy-making body of the School District consists of seven members with overlapping three-year terms so that as nearly as possible, an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold other School District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education of the School District annually prepares, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the School District must mail a school budget notice to all qualified voters which contains the total budgeted amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the budget vote. After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "Tax Levy Limitation Law" herein.

The budget for the 2018-19 fiscal year was adopted by the qualified voters on May 15, 2018 by a vote of 448 to 125. The School District's 2018-19 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 285 to 107. The School District's 2019-20 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The State's 2018-19 Enacted Budget includes a school building-based budget approval review process. Beginning with the 2018-19 school year, any school district with at least four schools that receives at least 50% percent of its total revenue through State aid will be required to annually report its budgeted support for individual schools within the school district. The report must follow a format, to be developed by the State Division of Budget ("DOB") in consultation with SED. In 2019-20, this requirement will expand to all school districts with at least four schools, regardless of State aid. In 2020-21, the requirement will apply to all school districts in the State. This report will be due to the State by the beginning of the school year, and the State will have 30 days to respond. While DOB or SED will not formally approve a school district's school-based budget, DOB and SED will have authority to determine whether the information was provided in a timely and sufficient manner. The reporting must include demographic data, per pupil funding, source of funds and uniform decision rules regarding allocation of centralized spending to individual schools from all funding sources. Should either DOB or SED determine that a school district did not meet this requirement, the school district's State aid increase can be withheld for the applicable year until compliance is determined by DOB and SED. If either DOB or. SED determines that a school district has not properly complied, the school district will have 30 days to "cure" the problem. In the event the problem is not cured in 30 days, the city comptroller or chief financial officer, and in the event a school district located outside a city, the chief financial officer in the municipality where the school district is most located, will be authorized, at his or her discretion, to gather information and submit on behalf of the school district. Under this newly enacted legislation, the School District will be required to annually report its budgeted support for individual schools beginning with the 2020-21 fiscal year.

State Aid

The School District receives financial assistance from the State. In its adopted budget for the 2018-19 fiscal year, approximately 58.43% of the revenues of the School District are estimated to be received in the form of State aid. If the State should experience difficulty borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, should the State budget not be adopted in a timely manner, municipalities and school districts in the State, including the School District, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the School District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Potential Reductions in Federal Aid Received by the State - The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues may arise.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition the potential fiscal impact of policies that may be processed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

The State's Enacted 2019-20 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less that what was expected. If federal support is reduced by $850 million or more the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include but are not limited to reductions in State agency operations' delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the time expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State Aid, The District is authorized by Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

State Aid History -The State's 2012-13 Budget provided for school aid of approximately $20 billion, which represented an increase of approximately $751 million in State aid for school districts.

The State's 2013-14 Budget provided for school aid of approximately $21.1 billion, which represented an increase of approximately $936.6 million, or 4.4% in total school aid spending from the 2012-13 school year.

The State's 2014-15 Budget included a $1.1 billion or 5.3% increase in state aid for the 2014-15 school year. High needs school districts received approximately 70% of the 2014-15 allocated increase. The 2014-2015 State budget restored $602 million of Gap Elimination Adjustment ("GEA") reductions that had been imposed on school districts from 2010-2011 to 2012-2013. The 2014-2015 State budget invested $1.5 billion over five years to support the phasein of a statewide universal full-day pre-kindergarten program.

The State's 2015-16 Budget contained a school aid increase of $1.4 billion that is tied to changes in the teacher evaluation and tenure process. School districts must obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

The 2016-2017 State Budget included a school aid increase of $991 million over 2015-2016, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the Enacted 2016-2017 State Budget included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment (the "GEA"). The majority of the remaining increase ($100 million) related to Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. Such funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

The State's 2017-18 Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

The State's 2018-19 Enacted Budget includes nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State's 2018-19 Enacted Budget includes an increase of $618 million in Foundation Aid for school districts. Foundation Aid now totals nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase will be distributed using a one year, off formula methodology. The State's 2018-19 Enacted Budget guarantees that all school districts receive an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase will be "set aside" for certain school districts to fund community schools. The State's 2018-19 Enacted Budget fully funds all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19.

The State's 2019-20 Enacted Budget includes more than $1 billion increase in aid to school districts, including a $618 million increase in Foundation Aid. The new State education aid total is $27.9 billion and increase of 3.8%. The 2019-20 Enacted Budget directs a majority of such additional funding (over 70%) to the State's more economically disadvantaged school districts.

State Aid Litigation -In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

While the increases in State aid in prior years have been targeted to high-needs schools, other schools have shared in the overall increase in State aid. The School District is unable to predict whether this pattern of distribution will continue beyond that which is included in the legislation dealing with foundation aid. Increased State aid for New York City schools and other high-needs schools may result in reductions in the future of State aid to certain school districts, including the School District.

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

The fiscal stress scores are based on financial information submitted as part of each School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include June 30, 2018 year-end fund balance, cash position and patterns of operating deficits, the OSC system creates an overall fiscal stress score which classifies whether a district is in "significant fiscal stress", in "moderate fiscal stress", as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation". This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of OSC designates the District as “No Designation” (Fiscal Score: 0.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office released an audit report of the District on November 2, 2018. The purpose of the audit was to determine whether District officials use competitive methods to procure goods and services for the period July 1, 2016 through June 6, 2018.

Key Finding

- District officials made 40 purchases, of 77 reviewed, totaling approximately $184,000 without always obtaining or documenting price quotes as required by the purchasing policy.

Key Recommendation

- Ensure that officials obtain the necessary number of competitive quotes as required by the purchasing policy.

District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller. There are no State Comptroller’s audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds were issued is the Education Law and the Local Finance Law.

No principal or interest upon any obligation of the School District is past due.

The fiscal year of the School District is from July 1 to June 30.

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2018 and may be found attached hereto as Appendix B

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the National Committee on Government Accounting.

Tax Information
Assessed and Full Valuations*

Fiscal Year Ended June 30:

	2015	2016	2017	2018	2019
Assessed Valuations:					
Batavia	$ 8,986,109	$ 8,711,402	$ 9,482,969	$ 9,494,910	$ 9,901,154
Bergen	153,802,038	152,714,752	158,627,192	157,742,120	164,966,841
Byron	103,726,343	103,237,257	104,992,702	106,340,255	106,530,809
Clarendon	2,224,015	2,250,230	2,252,485	2,260,701	2,266,702
Elba	1,724,798	1,715,390	1,727,500	1,763,561	1,750,441
LeRoy	6,589,977	6,556,236	6,805,192	6,826,524	7,456,629
Riga	22,208,197	23,924,309	23,675,108	23,736,316	25,636,063
Stafford	36,661,662	38,648,414	39,152,018	39,286,177	40,309,729
Sweden	44,694	45,582	46,484	47,409	48,387
Total	$ 335,967,833	$ 337,803,572	$ 346,761,650	$ 347,497,973	$ 358,866,755
Equalization Rates:					
Batavia	100.00%	100.00%	100.00%	100.00%	100.00%
Bergen	100.00%	99.00%	100.00%	100.00%	100.00%
Byron	100.00%	100.00%	100.00%	100.00%	98.00%
Clarendon	100.00%	100.00%	100.00%	100.00%	100.00%
Elba	100.00%	100.00%	100.00%	94.68%	94.00%
LeRoy	100.00%	100.00%	100.00%	100.00%	100.00%
Riga	98.00%	100.00%	100.00%	98.00%	100.00%
Stafford	100.00%	100.00%	100.00%	100.00%	100.00%
Sweden	100.00%	100.00%	100.00%	100.00%	100.00%
Full Valuations:					
Batavia	$ 8,986,109	$ 8,711,402	$ 9,482,969	$ 9,494,910	$ 9,901,154
Bergen	153,802,038	154,257,325	158,627,192	157,742,120	164,966,841
Byron	103,726,343	103,237,257	104,992,702	106,340,255	108,704,907
Clarendon	2,224,015	2,250,230	2,252,485	2,260,701	2,266,702
Elba	1,724,798	1,715,390	1,727,500	1,862,654	1,862,171
LeRoy	6,589,977	6,556,236	6,805,192	6,826,524	7,456,629
Riga	22,661,426	23,924,309	23,675,108	24,220,731	25,636,063
Stafford	36,661,662	38,648,414	39,152,018	39,286,177	40,309,729
Sweden	44,694	45,582	46,484	47,409	48,387
Total	$ 336,421,062	$ 339,346,145	$ 346,761,650	$ 348,081,481	$ 361,152,583

*Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Tax Rate per $1,000 Assessed Value

	Fiscal Year Ending June 30:				
	2015	2016	2017	2018	2019
Batavia	$ 24.44	$ 24.72	$ 24.24	$ 24.11	$ 23.89
Bergen	24.44	24.98	24.24	24.11	23.89
Byron	24.44	24.72	24.24	24.11	24.38
Clarendon	24.44	24.72	24.24	24.11	23.89
Elba	24.44	24.72	24.24	25.47	25.41
LeRoy	24.44	24.72	24.24	24.11	23.89
Riga	23.27	23.60	23.10	23.30	22.68
Stafford	24.44	24.82	24.24	24.11	23.89
Sweden	22.77	23.60	23.10	22.81	22.68

Tax Collection Procedure

School taxes are due September 1, payable during the month of September without penalty. Payments during the next 30 days are subject to a 2% penalty. No payments are accepted after November 1. Uncollected school taxes are turned over to the Counties after November 15 for collection with a penalty and additional interest added. The Counties reimburse the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:	2015	2016	2017	2018	2019
Total Tax Levy	$8,184,179	$8,364,840	$8,366,925	$8,366,964	$8,599,072
Amount Uncollected	246,385	285,134	256,058	239,289	323,873
% Uncollected	3.01%	3.41%	3.06%	2.86%	3.77%

Major Taxpayers 2018

For 2018-19 Tax Roll

Name	Type	Full Value
Empire State Pipeline Co	Natural Gas Pipeline	$16,087,241
National Grid	Utility	7,897,861
RJ Properties LLC	Manufacturing	6,548,700
Legacy Lands LLC	Agriculture	5,405,100
Rochester Gas & Electric Corp	Utility	4,422,371
Country Meadows NY LLC	Mobile Home Park	3,848,700
Zuber Brothers LLC	Agriculture	4,550,600
CSX Transportation	Railroad	3,717,014
Kremmin Trust K	Merchandise Distributor	2,330,000
Hidden Meadows Cooperative	Senior Housing	2,110,000
Total		$56,917,587

1. The above taxpayers represent 15.76% of the School District's 2018-19 Full value of $361,152,583

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2018 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared to a $500,000 limit for the credit. Homeowners with STAR Adjusted Gross Income of $250,000 have the option. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law will affect school district tax levies for the school district fiscal year beginning July 1, 2012. The Law expires on June 15, 2020 unless extended.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

There are exceptions for school districts to the tax levy limitation provided in the law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of Tax Levy Limitation Law. School districts budgets must comply in their 2014-15 and 2015-16 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain State officials in order to render their real property taxpayers eligible for the personal income tax credit.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 and Chapter 20 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by Chapter 97. The implications of this program on future tax levies and for operations and services of the School District are uncertain at this time.

<u>Status of Indebtedness</u>

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

<u>Purpose and Pledge.</u> The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

<u>Payment and Maturity.</u> Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Serial Bonds	$18,405,000	$16,280,000	$14,090,000	$11,835,000	$10,410,000
Bond Anticipation Notes	658,467	687,467	614,067	687,350	754,673
Total Debt Outstanding	$19,063,467	$16,967,467	$14,704,067	$12,522,350	$11,164,673

Status of Outstanding Bond Issues

	2012		2013	
Year of Issue:	2012		2013	
Amount Issued:	$16,548,200		$4,575,000	
Purpose/Instrument:	Construction/Serial Bond		Construction/Refunding Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2019	$ 1,250,000	$ 305,850	$ 215,000	$ 4,300
2020	1,285,000	268,350	-	-
2021	1,325,000	229,800	-	-
2022	1,365,000	190,050	-	-
2023	1,405,000	149,100	-	-
2024	1,450,000	106,950	-	-
2025	1,490,000	63,450	-	-
2026	625,000	18,750	-	-
Totals:	$ 10,195,000	$ 1,332,300	$ 215,000	$ 4,300

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	% Paid
2019	1,465,000	310,150	1,775,150	15.11%
2020	1,285,000	268,350	1,553,350	28.34%
2021	1,325,000	229,800	1,554,800	41.57%
2022	1,365,000	190,050	1,555,050	54.81%
2023	1,405,000	149,100	1,554,100	68.04%
2024	1,450,000	106,950	1,556,950	81.30%
2025	1,490,000	63,450	1,553,450	94.52%
2026	625,000	18,750	643,750	100.00%
Totals:	$ 10,410,000	$ 1,336,600	$ 11,746,600	

Cash Flow Borrowings

The District has not issued revenue anticipation notes since the 2009-10 fiscal year and does not anticipate the need to issue revenue or tax anticipation notes in the near future.

Status of Short-Term Indebtedness

Bond Anticipation Notes	Dated	Maturity Date	Interest Rate	Amount Outstanding
Buses	10/12/2018	10/11/2019	3.000%	$ 744,832

Capital Project Plans

The District residents approved a $18,452,902 capital project on September 21, 2017. The Board of Education of the District adopted a bond resolution on June 21, 2018 authorizing the issuance of up to $16,452,902 in bonds of the District to finance a portion of the cost of such capital project. The $2,000,000 balance of the cost of the capital project is funded by expenditures from the District's capital reserve fund. This project started with Phase I in the summer of 2018. Phase I included installation of new bleachers, roofing and asbestos removal in one wing of the elementary school. Phase II of the project is tentatively scheduled to start in the spring of 2019. Phase II includes the reconstruction of the 200 wing of the elementary school building. This Authorization also includes a $2,514,100 Energy Performance Project with Johnson Controls for energy improvements to the District Facilities. This is the first issuance against said Authorization.

There are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

School Bus Borrowings

The District typically borrows annually in October for the purchase of buses. The District issues Bond Anticipation Notes to finance the bus purchases.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 86.1%.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 23, 2019

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Batavia	$9,901,154	100.00%	$9,901,154
Bergen	164,966,841	100.00%	164,966,841
Byron	106,529,278	98.00%	108,704,907
Clarendon	2,266,702	100.00%	2,266,702
Elba	1,750,441	94.00%	1,862,171
LeRoy	7,456,629	100.00%	7,456,629
Riga	25,636,063	100.00%	25,636,063
Stafford	40,309,729	100.00%	40,309,729
Sweden	48,387	100.00%	48,387
			$361,152,583
Debt Limit: 10% of Full Valuation			$36,115,258
Inclusions:			
Serial Bonds			$10,410,000
Bond Anticipation Notes			744,872
Total Inclusions:			$11,154,872
Exclusions:			
Building Aid Estimate			$0[1]
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to This Issue			$11,154,872
This Issue		$13,000,000	
Proceeds to Be Used to Renew Indebtedness Listed Under Inclusions		0	$13,000,000
Total Net Indebtedness After Giving Effect to This Issue			$24,154,872
Net Debt Contracting Margin			$11,960,386
Percentage of Debt-Contracting Power Exhausted			66.88%

Notes:

1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness[1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Genesee	$ 333,199,869					
County	$ 2,850,858,931	11.69%	$ 19,760,000	N/A	$ 19,760,000	$ 2,309,490
Monroe	$ 25,684,450					
County	$ 41,863,750,170	0.06%	$ 821,265,419	N/A	$ 821,265,419	$ 503,867
Orleans	$ 2,266,702					
County	$ 1,713,127,342	0.13%	$ 11,694,663	N/A	$ 11,694,663	$ 15,474
Town of	$ 9,901,154					
Batavia	$ 379,163,473	2.61%	$ 10,312,610	N/A	$ 10,312,610	$ 269,295
Town of	$ 164,966,841				-	
Bergen	$ 164,966,841	100.00%	$ 2,107,000	N/A	$ 2,107,000	$ 2,107,000
Town of	$ 108,703,345					
Byron	$ 110,328,796	98.53%	$ 2,498,000	N/A	$ 2,498,000	$ 2,461,197
Town of	$ 2,266,702					
Clarendon	$ 160,421,773	1.41%	$ 5,926,602	N/A	$ 5,926,602	$ 83,741
Town of	$ 1,862,171				-	
Elba	$ 108,692,469	1.71%	$ 1,662,191	N/A	$ 1,662,191	$ 28,477
Town of	$ 7,456,629					
LeRoy	$ 351,565,895	2.12%	$ 2,038,848	N/A	$ 2,038,848	$ 43,243
Town of	$ 25,636,063					
Riga	$ 335,708,254	7.64%	$ 3,451,700	N/A	$ 3,451,700	$ 263,586
Town of	$ 40,309,729					
Stafford	$ 146,487,746	27.52%	$ 3,212,757	N/A	$ 3,212,757	$ 884,070
Town of	$ 48,387					
Sweden	$ 624,107,118	0.01%	$ 1,139,360	N/A	$ 1,139,360	$ 88
Village of	$ 44,687,506					
Bergen	$ 44,687,506	100.00%	$ 3,042,500	N/A	$ 3,042,500	$ 3,042,500
Total						$ 12,012,028

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2017

Notes: Bonds and Bond Anticipation notes as of 2017 fiscal year. Not adjusted to include subsequent bond and note sales

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 23, 2019:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 24,154,872	$ 3,386.35	6.681%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 36,166,900	$ 5,070.36	10.014%

(a) The District's estimated population is 7,133 (Source: 2016 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2018-19 is $361,152,583.

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects**.**

Special Provisions Affecting Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for the school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district’s contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be requited to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The

State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforces payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centrum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such a as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization or any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of an interest on indebtedness of every county, city, town. Village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The Fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuations of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School has never defaulted in the payment of the principal of and interest on any indebtedness.

Market And Risk Factors

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the event cited herein, there are other potential risk factor that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk

The financial and economic condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any other jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or tax status of interest on the Notes.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes. See "Tax Levy Limitation Law" herein.

Tax Matters

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions, and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on each of the Notes is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposed of its Federal alternative minimum tax imposed on individuals.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes, as applicable, will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the arbitrage and use of proceeds certificate to be delivered by the District in connection with the issuance of the Notes, the District will covenant to comply with certain procedures, and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Notes will **NOT** be designated as "qualified tax-exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to federal, State or local income taxation, or otherwise prevent holders of the Notes from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Notes.

Interest on the Notes may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion, however, as to the tax treatment of the Notes under other state or local jurisdictions. Each purchaser of the Notes should consult his or her own tax advisor regarding the taxable status of the Notes in a particular state or local jurisdiction other than the State of New York.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

Legal Matters

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Bond Counsel, Pittsford, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, provided, however, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York; and (iv) based upon Bond Counsel's examination of law and review of the arbitrage certificate executed by the President of the Board of Education of the District pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be an "arbitrage bonds" within the meaning of said section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel will express no opinion regarding other Federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Continuing Disclosure Compliance

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide notices of certain events, the description of which is attached hereto as “Appendix D”.

The District is in compliance in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

Litigation

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of bonds and notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the bonds and notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the bonds and notes or contesting the corporate existence or boundaries of the District

Bond Rating

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in an event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - D" herein.)

Moody's Investors Service ("Moody's") has assigned their underlying rating of "A1" to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 99 Church Street - 9th Floor, New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

Municipal Advisor

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

Miscellaneous

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Harris Beach, PLLC, Pittsford, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net**.** Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. R.G. Timbs, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website

The School District's contact information is as follows: Lori Prinz, Business Administrator, phone: (585) 494-1220; email: lprinz@bbschools.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (585) 747-8111 or at www.RGTimbsInc.net.

Byron-Bergen Central School District

Dated: May 23, 2019
Bergen, New York

DEBRA LIST
President of the Board of Education
And Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018	Budget 2019	
Beginning Fund Balance - July 1	$3,598,627	$3,959,855	$4,561,062	$5,359,514	$5,486,007	$3,918,676	E
Revenues:							
Real Property Taxes	$6,263,104	$6,380,280	$6,545,217	$6,575,208	$6,645,205	$8,599,072	
Real Property Tax Items	1,970,531	1,963,106	1,951,612	1,956,513	1,913,846	35,000	
Non-Property Tax Items	37,170	35,468	33,062	30,946	31,007	40,217	
Charges for Services	108,144	120,551	542,408	13,498	88,490	45,000	
Use of Money & Property	20,196	6,212	7,780	8,587	44,196	36,000	
Sale of Property/Comp. for Loss	1,973	5,376	4,262	8,578	8,237	0	
Miscellaneous	223,601	269,152	182,040	220,175	242,753	240,000	
State Aid	11,443,983	11,984,390	12,572,439	13,233,189	13,422,310	13,438,221	
Federal Aid	38,133	26,567	32,725	41,508	68,938	40,000	
Interfund Transfer	0	0	0	0	0	0	
Total Revenues	$20,106,835	$20,791,102	$21,871,545	$22,088,202	$22,464,982	$22,473,510	
Expenditures:							
General Support	$2,210,346	$2,224,171	$2,442,726	$2,555,797	$2,471,010	$2,859,907	
Instruction	9,529,288	9,833,393	10,608,279	11,448,559	11,228,954	12,182,017	
Transportation	1,052,281	1,028,518	1,135,438	1,135,320	1,165,276	1,221,018	
Community Service	7,614	8,882	9,658	15,221	12,329	4,270	
Employee Benefits	4,039,161	4,233,543	3,968,977	3,816,695	3,918,581	4,602,615	
Debt Service	2,906,917	2,861,388	2,908,015	2,890,117	2,012,069	2,028,183	
Interfund Transfer	0	0	0	100,000	3,224,094	100,000	
Total Expenditures	$19,745,607	$20,189,895	$21,073,093	$21,961,709	$24,032,313	$22,998,010	
Adjustments	0	0	0	0	0	0	
Year End Fund Balance	$3,959,855	$4,561,062	$5,359,514	$5,486,007	$3,918,676	$3,394,176	E
Excess (Deficit) Revenues Over Expenditures	$361,228	$601,207	$798,452	$126,493	($1,567,331)	($524,500)	1

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated Fund Balance is planned to be used

E. Estimated

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Assets:					
Cash and Cash Equivalents	$3,889,680	$5,014,209	$5,187,520	$5,088,982	$6,387,497
Due from Other Governments	628,185	654,488	861473	745,882	1,008,904
State and Federal Aid Receivable	451,916	490,268	414398	331,357	286,567
Due from Other Funds	731,491	230,496	347,537	820,566	0
Total Assets	$5,701,272	$6,389,461	$6,810,928	$6,986,787	$7,682,968
Liabilities:					
Accounts Payable	$235,019	$208,668	$134,489	$327,097	$242,224
Accrued Liabilities	215,945	179,048	171,493	137,477	77,906
Due to Other Funds	0	0	0	0	2,474,705
Due to Retirement Systems	1,281,500	1,431,329	1,145,432	1,016,035	896,650
Deferred Revenues	8,953	9,354	0	20,171.00	72,807.00
Total Liabilities:	$1,741,417	$1,828,399	$1,451,414	$1,500,780	$3,764,292
Fund Balances:					
Restricted	$2,499,380	$3,169,510	$3,696,636	$4,185,452	2,468,357
Assigned	647,097	510,253	751,817	443,014	529,115
Unassigned	813,378	881,299	911,061	857,541	921,204
Total Fund Balance	$3,959,855	$4,561,062	$5,359,514	$5,486,007	$3,918,676
Total Liabilities and Fund Balance	$5,701,272	$6,389,461	$6,810,928	$6,986,787	$7,682,968

Source: Audited Annual Financial Reports. This table is NOT audited.

<u>APPENDIX B</u>

Audited Financial Statements

For The Fiscal Year Ended June 30, 2018

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2018

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June 30, 2018

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS
Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

INDEPENDENT AUDITORS' REPORT

The Board of Education
Byron-Bergen Central School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Byron-Bergen Central School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Changes in Accounting Principles

As described in Note 2 to the financial statements, in 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information including the schedule of expenditures of federal awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information including the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lumsden & McCormick, LLP

September 27, 2018

Byron-Bergen Central School District
Management's Discussion and Analysis
June 30, 2018
Unaudited

Introduction

Management's Discussion and Analysis (MD&A) of Byron-Bergen Central School District (the District) provides an overview of the District's financial activities and performance for the year ended June 30, 2018. The information contained in the MD&A should be considered in conjunction with the information presented as part of the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements, (2) governmental fund financial statements, (3) reconciliations between the government-wide and governmental fund financial statements, (4) agency fund statements, (5) notes to the financial statements, and (6) supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. In 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This statement requires the District to recognize the total OPEB liability and related deferred outflows and deferred inflows of resources for its defined benefit OPEB plan. The cumulative effect of implementing this required change in accounting principle resulted in a restatement of beginning net position as detailed in Note 2 to the financial statements. The comparative data in the MD&A for 2017 has not been restated.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Agency funds are used to account for resources held for the benefit of parties outside the District. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and governmental fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles and the New York State Education Department.

Condensed Statement of Net Position	2018	2017	Change $	Change %
Current assets	$ 8,764,000	$ 7,763,000	$ 1,001,000	12.9%
Net pension asset	352,000	-	352,000	100.0%
Capital assets	28,691,000	28,588,000	103,000	0.4%
Total assets	37,807,000	36,351,000	1,456,000	4.0%
Deferred outflows of resources	5,742,000	5,287,000	455,000	8.6%
Long-term liabilities	17,356,000	18,505,000	(1,149,000)	-6.2%
Other liabilities	2,534,000	2,300,000	234,000	10.2%
Total liabilities	19,890,000	20,805,000	(915,000)	-4.4%
Deferred inflows of resources	1,813,000	269,000	1,544,000	574.0%
Net position				
Net investment in capital assets	19,533,000	16,304,000	3,229,000	19.8%
Restricted	3,093,000	4,185,000	(1,092,000)	-26.1%
Unrestricted	(780,000)	75,000	(855,000)	-1140.0%
Total net position	$ 21,846,000	$ 20,564,000	$ 1,282,000	6.2%

Net position amounted to $21,846,000 and $20,564,000 as of June 30, 2018 and 2017, respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used. These reserves are set aside for specific purposes governed by statutory law and regulations and include the retirement contribution reserve, restricted to fund contributions paid by the District to the New York State and Local Employees' Retirement System (ERS); the capital reserve, which is dedicated for future renovations as approved by the District's voters; and an employee benefit accrued liability reserve, which must be used to pay future accumulated vacation and sick time. Other restricted resources include debt service, workers' compensation, unemployment insurance, liability, insurance, and tax certiorari reserves.

Current assets increased by $1,001,000 ($224,000 increase in 2017) primarily due to positive operating results and timing of payments. Total assets also increased as a result of a change in the net pension position for the New York State Teachers' Retirement System (TRS). In 2017, the District's proportionate share of the net pension position was a liability of $437,000, compared to an asset of $352,000 in 2018. This change is due to a positive difference between actual and expected earnings on pension plan investments. Capital assets increased $103,000 ($610,000 decrease in 2017) as a result of current year capital spending in excess of depreciation.

Long-term liabilities decreased by $1,149,000 ($2,267,000 decrease in 2017) due to current year principal payments of $1,425,000 on outstanding bonds. The increase in other liabilities of $234,000 (increase of $160,000 in 2017) is primarily due to an increase in outstanding payables from capital project activity offset by a decrease in required contributions to the State pension plans.

Changes in deferred outflows and deferred inflows of resources include changes in pension activity at the State level which are required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date, and as such are not included in the current net pension position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions.

			Change	
Condensed Statement of Activities	**2018**	**2017**	**$**	**%**
Revenues				
Program revenues				
Charges for services	$ 287,000	$ 194,000	$ 93,000	47.9%
Operating grants and contributions	1,396,000	1,307,000	89,000	6.8%
General revenues				
Property and sales taxes	8,590,000	8,563,000	27,000	0.3%
State aid	13,422,000	13,233,000	189,000	1.4%
Other	268,000	221,000	47,000	21.3%
Total revenue	23,963,000	23,518,000	445,000	1.9%
Expenses				
Instruction	15,624,000	16,194,000	(570,000)	-3.5%
Support services				
General support	3,300,000	3,179,000	121,000	3.8%
Pupil transportation	1,554,000	1,582,000	(28,000)	-1.8%
Food service	458,000	467,000	(9,000)	-1.9%
Interest and other	327,000	394,000	(67,000)	-17.0%
Total expenses	21,263,000	21,816,000	(553,000)	-2.5%
Change in net position	2,700,000	1,702,000	998,000	58.6%
Net position - beginning	20,564,000	18,862,000	1,702,000	9.0%
Restatement - GASB 75	(1,418,000)			
Net position - ending	$ 21,846,000	$ 20,564,000	$ 1,282,000	6.2%

District revenues increased $445,000 in 2018 (1.1% or $257,000 increase in 2017). State aid increased $189,000 ($661,000 or 5.3% increase in 2017) due to an increase in foundation aid. Charges for services increased $93,000 ($518,000 or 72.8% decrease in 2017) due to increased tuition billings to other school districts and the increase of $89,000 in operating grants and contributions ($50,000 or 4.0% increase in 2017) is due to additional Title I funding.

Total expenses decreased $553,000 ($1,893,000 or 9.5% increase in 2017). A decrease in BOCES billings of $334,000 was a result of one-time wiring costs incurred in 2017 for new security cameras. Payroll decreased $58,000 or 0.6% due to retirements at the end of 2017 which offset contractual salary increases. Employee benefits, which are allocated amongst all instruction and support services expenses and include pension expense, OPEB expense, and health insurance premiums, decreased $311,000 from 2017.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased by $765,000 from $5,478,000 to $6,243,000 as follows:

- Total fund revenue increased $445,000 or 1.9% (increase of $252,000 or 1.1% in 2017) and total fund expenditures decreased by $242,000 or 1.0% (increase of $1,083,000 or 4.8% in 2017). The overall revenue increase is due to an increase in State aid and Title I funding, as mentioned previously. The overall decrease in expenditures is due to a decrease in principal and interest payments offset by an increase in capital expenditures.
- The general fund experienced a decrease in fund balance of $1,567,000 compared to a $126,000 increase in 2017. This decrease was attributable to transfers to the capital projects ($2,600,000) and debt service ($624,000) funds.
- The capital projects fund balance increased by $1,659,000 in 2018, due to the transfer from the general fund as noted above. The school lunch fund showed positive operating results in 2018, generating a $48,000 increase in fund balance ($27,000 increase in 2017).

General Fund Budgetary Highlights

The revenue budget for 2018 was $22,200,000, with actual revenues amounting to $22,465,000, a positive variance of $265,000 or 1.2%. This was primarily caused by miscellaneous income greater than budgeted.

Actual expenditures and carryover encumbrances were less than the final budget by $660,000 or 2.9%. The difference is attributable to many factors and many unknown items at the time the budget is prepared. The District was able to generate savings in central services and instruction.

Capital Assets

	2018	2017
Land	$ 139,000	$ 139,000
Construction in progress	814,000	100,000
Buildings and improvements	42,617,000	42,435,000
Machinery and equipment	3,560,000	3,364,000
	47,130,000	46,038,000
Accumulated depreciation	(18,439,000)	(17,450,000)
	$ 28,691,000	$ 28,588,000

The investment in capital assets of $1,258,000 during the year was offset by current year depreciation of $1,155,000.

Debt

At June 30, 2018, the District had $10,410,000 in bonds outstanding, with $1,465,000 due within one year ($11,835,000 outstanding at June 30, 2017). Outstanding compensated absences payable were $4,953,000, with $851,000 expected to be paid within one year ($5,152,000 outstanding at June 30, 2017).

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Current Financial Issues and Concerns

School districts in New York State are impacted by the political pressures imposed on elected officials in funding of education. Year to year changes in funding levels and State aid formulas complicate the planning process for schools.

The District will continue to mitigate the impact of rising costs of education on the overall budget, including using reserve funds as permitted by law to lessen their budgetary impact. The property tax levy cap further emphasizes the importance of using reserves judiciously and implementing creative cost cutting measures. These issues and concerns require management to plan carefully and prudently to provide the educational resources necessary to meet student needs.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Prinz, School Business Administrator, Byron-Bergen Central School District, 6917 W. Bergen Road, Bergen, New York 14416-9747.

Statement of Net Position

June 30, 2018
(With comparative totals as of June 30, 2017)

	2018	2017
Assets		
Cash	$ 7,263,047	$ 5,411,262
Due from other governments	1,008,904	745,882
State and federal aid receivable	469,562	584,743
Due from fiduciary funds	-	997,366
Inventory	22,266	23,899
Net pension asset	352,039	-
Capital assets (Note 5)	47,130,368	46,038,560
Accumulated depreciation	(18,439,094)	(17,450,238)
Total assets	37,807,092	36,351,474
Deferred Outflows of Resources		
Defeasance loss	14,534	29,070
Deferred outflows of resources related to pensions	5,423,449	5,258,029
Deferred outflows of resources related to OPEB	303,603	-
Total deferred outflows of resources	5,741,586	5,287,099
Liabilities		
Accounts payable	648,997	414,729
Accrued liabilities	95,901	156,186
Due to retirement systems	896,650	1,016,035
Due to fiduciary funds	59,643	-
Unearned revenue	78,131	25,495
Bond anticipation notes	754,673	687,350
Long-term liabilities		
Due within one year:		
Bonds	1,465,000	1,425,000
Compensated absences	851,000	882,000
Due beyond one year:		
Bonds and related premiums	9,117,470	10,639,132
Compensated absences	4,102,000	4,270,000
Net pension liability	221,884	1,118,241
Total OPEB liability	1,598,229	170,436
Total liabilities	19,889,578	20,804,604
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	1,812,958	269,616
Net Position		
Net investment in capital assets	19,533,311	16,303,844
Restricted	3,092,532	4,185,452
Unrestricted	(779,701)	75,057
Total net position	$ 21,846,142	$ 20,564,353

See accompanying notes.

Statement of Activities

For the year ended June 30, 2018
(with summarized comparative totals for June 30, 2017)

		Program Revenues		Net (Expense) Revenue	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**2018**	2017
Governmental activities					
General support	$ 3,299,612	$ 10,315	$ -	$ (3,289,297)	$ (3,178,627)
Instruction	15,624,277	105,281	1,055,451	(14,463,545)	(15,175,382)
Pupil transportation	1,553,804	-	-	(1,553,804)	(1,582,397)
Community service	12,329	-	-	(12,329)	(15,221)
Interest expense	315,566	-	-	(315,566)	(379,074)
School food service	457,591	170,764	340,653	53,826	16,444
	$ 21,263,179	$ 286,360	$ 1,396,104	(19,580,715)	(20,314,257)
General revenues					
Real property and sales taxes				8,590,058	8,562,667
Miscellaneous				268,309	220,656
State aid				13,422,310	13,233,189
Total general revenues				22,280,677	22,016,512
Change in net position				2,699,962	1,702,255
Net position - beginning				20,564,353	18,862,098
Cumulative effect of a change in accounting principle				(1,418,173)	
Net position - beginning, as restated (Note 2)				19,146,180	18,862,098
Net position - ending				$ 21,846,142	$ 20,564,353

See accompanying notes.

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2018
(With summarized comparative totals as of June 30, 2017)

	General	Capital Projects	Special Aid	Debt Service	School Lunch	Total Governmental Funds 2018	Total Governmental Funds 2017
Assets							
Cash	$ 6,387,497	$ 131,084	$ 47,690	$ 624,175	$ 72,601	$ 7,263,047	$ 5,411,262
Due from other governments	1,008,904	-	-	-	-	1,008,904	745,882
State and federal aid receivable	286,567	-	167,453	-	15,542	469,562	584,743
Due from other funds, net	-	2,423,054	-	-	184,616	2,607,670	1,272,153
Inventory	-	-	-	-	22,266	22,266	23,899
Total assets	$ 7,682,968	$ 2,554,138	$ 215,143	$ 624,175	$ 295,025	$ 11,371,449	$ 8,037,939
Liabilities and Fund Balances							
Accounts payable	$ 242,224	$ 389,492	$ 17,211	$ -	$ 70	$ 648,997	$ 414,729
Accrued liabilities	77,906	-	-	-	5,195	83,101	141,686
Due to retirement systems	896,650	-	-	-	-	896,650	1,016,035
Due to other funds, net	2,474,705	-	192,608	-	-	2,667,313	274,787
Unearned revenue	72,807	-	5,324	-	-	78,131	25,495
Bond anticipation notes	-	754,673	-	-	-	754,673	687,350
Total liabilities	3,764,292	1,144,165	215,143	-	5,265	5,128,865	2,560,082
Fund Balances							
Nonspendable:							
Inventory	-	-	-	-	22,266	22,266	23,899
Restricted:							
Debt service	-	-	-	624,175	-	624,175	23,991
Liability	5,758	-	-	-	-	5,758	5,730
Unemployment insurance	125,003	-	-	-	-	125,003	92,654
Capital	52,093	1,409,973	-	-	-	1,462,066	2,051,401
Employee benefit accrued liability	1,599,162	-	-	-	-	1,599,162	1,481,987
Insurance	2,836	-	-	-	-	2,836	2,836
Retirement contribution	302,886	-	-	-	-	302,886	301,426
Tax certiorari	151,064	-	-	-	-	151,064	150,336
Workers' compensation	229,555	-	-	-	-	229,555	75,091
Assigned:							
Designated for subsequent year's expenditures	300,000	-	-	-	-	300,000	312,877
Other purposes	229,115	-	-	-	267,494	496,609	347,504
Unassigned	921,204	-	-	-	-	921,204	608,125
Total fund balances	3,918,676	1,409,973	-	624,175	289,760	6,242,584	5,477,857
Total liabilities and fund balances	$ 7,682,968	$ 2,554,138	$ 215,143	$ 624,175	$ 295,025	$ 11,371,449	$ 8,037,939

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2018

Total fund balances - governmental funds		$ 6,242,584
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		28,691,274
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Net pension asset	352,039	
Deferred outflows of resources related to pensions	5,423,449	
Net pension liability	(221,884)	
Deferred inflows of resources related to pensions	(1,812,958)	3,740,646
The District's total OPEB liability as well as OPEB-related deferred outflows of resources are recognized on the government-wide statements and include:		
Deferred outflows of resources related to OPEB	303,603	
Total OPEB liability	(1,598,229)	(1,294,626)
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.		14,534
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:		
Bonds and related premiums	(10,582,470)	
Accrued interest	(12,800)	
Compensated absences	(4,953,000)	(15,548,270)
Net position - governmental activities		$ 21,846,142

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2018
(with summarized comparative totals for June 30, 2017)

	General	Capital Projects	Special Aid	Debt Service	School Lunch	Total Governmental Funds 2018	Total Governmental Funds 2017
Revenues							
Real property taxes	$ 6,645,205	$ -	$ -	$ -	$ -	$ 6,645,205	$ 6,575,208
Real property tax items	1,913,846	-	-	-	-	1,913,846	1,956,513
Nonproperty taxes	31,007	-	-	-	-	31,007	30,946
Charges for services	88,490	-	-	-	-	88,490	13,498
Use of money and property	44,196	148	-	81	-	44,425	8,673
Sale of property and compensation for loss	8,237	-	-	-	-	8,237	8,578
Miscellaneous	242,753	-	-	-	6,305	249,058	234,061
State sources	13,422,310	-	426,216	-	65,516	13,914,042	13,403,791
Federal sources	68,938	-	560,297	-	275,137	904,372	1,126,618
Sales	-	-	-	-	164,459	164,459	160,209
Total revenues	22,464,982	148	986,513	81	511,417	23,963,141	23,518,095
Expenditures							
General support	2,471,010	-	1,500	-	93,488	2,565,998	2,650,365
Instruction	11,228,954	-	985,013	-	-	12,213,967	12,342,256
Pupil transportation	1,165,276	272,649	-	-	-	1,437,925	1,439,044
Community service	12,329	-	-	-	-	12,329	15,221
Employee benefits	3,918,581	-	-	-	64,102	3,982,683	3,943,828
Debt service							
Principal	1,652,677	-	-	-	-	1,652,677	2,466,217
Interest	359,392	-	-	-	-	359,392	423,900
Cost of sales	-	-	-	-	289,904	289,904	286,974
Capital outlay	-	895,787	-	-	15,429	911,216	100,000
Total expenditures	20,808,219	1,168,436	986,513	-	462,923	23,426,091	23,667,805
Excess revenues (expenditures)	1,656,763	(1,168,288)	-	81	48,494	537,050	(149,710)
Other financing sources (uses)							
BANs redeemed from appropriations	-	227,677	-	-	-	227,677	211,217
Operating transfers	(3,224,094)	2,600,000	-	624,094	-	-	-
Total other financing sources (uses)	(3,224,094)	2,827,677	-	624,094	-	227,677	211,217
Net change in fund balances	(1,567,331)	1,659,389	-	624,175	48,494	764,727	61,507
Fund balances (deficit) - beginning	5,486,007	(249,416)	-	-	241,266	5,477,857	5,416,350
Fund balances - ending	$ 3,918,676	$ 1,409,973	$ -	$ 624,175	$ 289,760	$ 6,242,584	$ 5,477,857

See accompanying notes.

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the year ended June 30, 2018

Total net change in fund balances - governmental funds		$ 764,727
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense.		102,952
Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
2018 TRS and ERS contributions	1,067,920	
2018 ERS accrued contribution	102,858	
2017 ERS accrued contribution	(106,887)	
2018 TRS pension expense	(867,278)	
2018 ERS pension expense	(326,139)	(129,526)
OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		293,983
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		1,425,000
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Amortization of defeasance loss	(14,536)	
Amortization of bond premiums	56,662	
Interest	1,700	
Compensated absences	199,000	242,826
Change in net position - governmental activities		$ 2,699,962

See accompanying notes.

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund

For the year ended June 30, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
Revenues					
Local sources					
Real property taxes	$ 6,616,964	$ 6,616,964	$ 6,645,205		$ 28,241
Real property tax items	1,783,000	1,783,000	1,913,846		130,846
Nonproperty taxes	35,000	35,000	31,007		(3,993)
Charges for services	45,000	45,000	88,490		43,490
Use of money and property	36,000	36,000	44,196		8,196
Sale of property and compensation for loss	-	-	8,237		8,237
Miscellaneous	107,500	107,500	242,753		135,253
State sources	13,563,969	13,563,969	13,422,310		(141,659)
Federal sources	12,187	12,187	68,938		56,751
Total revenues	22,199,620	22,199,620	22,464,982		265,362
Expenditures					
General support					
Board of education	24,375	25,625	21,299	-	(4,326)
Central administration	240,675	244,252	235,616	6,295	(2,341)
Finance	302,084	322,459	305,140	-	(17,319)
Staff	44,825	57,825	55,686	-	(2,139)
Central services	1,779,259	1,862,260	1,468,252	177,675	(216,333)
Special items	403,460	386,494	385,017	-	(1,477)
Instruction					
Instruction, administration, and improvement	585,050	579,032	660,306	416	81,690
Teaching - regular school	5,978,827	5,851,356	5,678,685	1,149	(171,522)
Programs for children with handicapping conditions	2,712,838	2,417,214	2,295,291	-	(121,923)
Occupational education	992,741	813,493	800,769	-	(12,724)
Instructional media	756,275	840,942	741,123	655	(99,164)
Pupil services	1,218,668	1,133,192	1,052,780	42,925	(37,487)
Pupil transportation	1,302,810	1,195,427	1,165,276	-	(30,151)
Community service	15,270	15,920	12,329	-	(3,591)
Employee benefits	4,355,000	3,939,666	3,918,581	-	(21,085)
Debt service					
Principal	1,710,677	1,652,677	1,652,677	-	-
Interest	359,800	359,800	359,392	-	(408)
Total expenditures	22,782,634	21,697,634	20,808,219	229,115	(660,300)
Excess revenues (expenditures)	(583,014)	501,986	1,656,763	(229,115)	925,662
Other financing sources (uses)					
Operating transfers in	255,000	255,000	-		(255,000)
Operating transfers out	(115,000)	(1,200,000)	(3,224,094)		2,024,094
Appropriated fund balance and encumbrances	443,014	443,014	-		(443,014)
Total other financing sources (uses)	583,014	(501,986)	(3,224,094)		(2,722,108)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ (1,567,331)	$ (229,115)	$ (1,796,446)

See accompanying notes.

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position

June 30, 2018

	Private-Purpose Trusts	Agency
Assets		
Cash	$ 536,559	$ 365,979
Due from governmental funds	746	58,897
	537,305	$ 424,876
Liabilities		
Extraclassroom activities balances	-	$ 91,827
Agency liabilities	-	333,049
Total liabilities	-	$ 424,876
Net Position		
Restricted for scholarships	$ 537,305	

* * *

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position

For the year ended June 30, 2018

	Private-Purpose Trusts
Additions	
Gifts and donations	$ 1,925
Interest income	748
	2,673
Deductions	
Scholarship awards	9,600
Change in net position	(6,927)
Net position - beginning	544,232
Net position - ending	$ 537,305

1. Summary of Significant Accounting Policies

Reporting Entity

Byron-Bergen Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America, nor does it contain any component units.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Joint Venture

The District is one of 22 participating school districts in the Genesee Valley BOCES (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2018, the District was billed $3,281,000 for BOCES administrative and program costs and recognized revenue of $208,000 as a refund from prior year expenditures paid to BOCES. Audited financial statements are available from BOCES' administrative offices.

Public Entity Risk Pools

The District participates in the Genesee Area Healthcare Plan and the Genesee County Self-Insurance Workers' Compensation Plan, which are public entity risk pools. These plans are designed to provide health insurance and workers' compensation coverage for participating entities. These activities are further presented in Note 10.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District also elected to display the following as major funds:

- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources – other than expendable trusts or major capital projects – such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *Debt service fund.* This fund is used to account for resources that are restricted, committed, or assigned to expenditure for principal and interest. Financial resources that are being accumulated for principal and interest payments maturing in future years are also included in this fund.

- *School lunch fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.

The District reports the following fiduciary funds:

- *Private-purpose trust fund.* This fund reports trust arrangements under which principal and income benefit various third party scholarship arrangements.
- *Agency fund.* This fund accounts for assets held by the District as agent for various student groups and clubs, payroll, and employee third party withholdings. The agency fund is custodial in nature and does not involve measurement of results of operations.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include property and sales taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment and property purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2018, the tax lien was issued on August 3, 2017 for collection from September 1, 2017 through October 30, 2017. Thereafter, uncollected amounts became the responsibility of Monroe, Orleans, and Genesee Counties. Such amounts were submitted to the District by April 1st of the following year as required by law.

The District is subject to tax abatements granted by the Genesee County Industrial Development Agency (GCIDA), a public benefit corporation created by an act of the New York State Legislature to promote and assist private sector industrial and business development.

Through GCIDA, companies promise to expand or maintain facilities or employment within the communities served by the District, to establish a new business, or to relocate an existing business to the communities. Economic development agreements entered into by GCIDA can include the abatement of county, town, and school district taxes, in addition to other assistance. In the case of the District, these abatements have resulted in reductions of property taxes, which the District administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%.

For the year ended June 30, 2018, the District's taxes were abated $104,000 under these agreements. However, because the abated amounts are spread across the District's entire tax base, there is no impact on the overall property taxes collected.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2017 was approved by a majority of the voters in a general election held on May 16, 2017.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Inventory

Inventory consists of food and similar food service goods related to school lunch operations and is recorded at the lower of first-in, first-out cost or net realizable value. Donated commodities are stated at values which approximate market.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life
Buildings and improvements	$50,000	15-50 years
Machinery and equipment	$1,000	5-25 years

Bond Defeasances

In the government-wide financials statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the District recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and those expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with administrative and employee groups which provide for the payment of accumulated sick time at retirement or the option of converting this vested amount to provide for payment of health insurance until exhausted.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Equity Classifications

Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, and deferred outflows of resources for defeasance losses, reduced by outstanding balances of any related debt obligations that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

Governmental Fund Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represents resources that cannot be spent as they are not expected to be converted to cash and include inventory.

Fund balance restrictions consist of the following reserves:

- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Liability* – is used to pay for liability claims incurred. Annual funding of this reserve may not exceed 3% of the budget.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. In September 2014, voters approved the establishment of a reserve not to exceed $1,000,000. In May 2016, voters approved an increase in the reserve to $2,000,000. This reserve has been fully funded and used.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Insurance* – is used to pay liability, casualty, and other types of losses except losses incurred for which insurance may be purchased. The amount is funded through budgetary appropriations which may not exceed 5% of the budget.
- *Retirement contribution* – is used to finance retirement contributions payable to ERS.
- *Tax certiorari* – is used to pay judgments and claims resulting from certiorari proceedings. Funds not used by July 1 of the fourth fiscal year following their deposit must be returned to unassigned fund balance.
- *Workers' compensation* – is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this program.

Interfund Balances

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

2. Change in Accounting Principle

Effective July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), which supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement addresses accounting and financial reporting for other postemployment benefits offered by the District and requires various note disclosures (Note 9) and required supplementary information. As a result, beginning of year net position has been restated as follows:

Net position previously reported, July 1, 2017	$ 20,564,353
OPEB previously reported	170,436
Total OPEB liability	(1,588,609)
Amounts paid by the District subsequent to the measurement date	-
Net position as restated	$ 19,146,180

Information on beginning of year deferred outflows and deferred inflows of resources, and all information for the prior year, is not available and therefore such amounts have not been restated.

3. Cash

Cash management is governed by State laws and as established in the District's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit the Treasurer to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2018, the District's bank deposits were fully collateralized by FDIC coverage and securities held in trust by the pledging institutions.

4. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	**Receivable**	**Payable**	**In**	**Out**
General	$ 192,608	$ 2,667,313	$ -	$ 3,224,094
Capital projects	2,423,054	-	2,600,000	-
Special aid	-	192,608	-	-
Debt service	-	-	624,094	-
School lunch	184,616	-	-	-
Fiduciary	59,643	-	-	-
	$ 2,859,921	$ 2,859,921	$ 3,224,094	$ 3,224,094

The District's general fund provides cash flow to the various other funds; these amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. The amounts owed from the general fund to the fiduciary fund represent health reimbursement account withholdings paid by the fiduciary fund with amounts that will be reimbursed from the general fund. The amounts owed to the school lunch and capital projects funds from the general fund represent federal and state funds initially received in the general fund. The general fund made a permanent transfer to the capital projects fund to pay for the local share of capital projects costs and to the debt service fund to pay future debt service.

5. Capital Assets

	July 1, 2017	Increases	Retirements/ Reclassifications	June 30, 2018
Non-depreciable capital assets:				
Land	$ 139,383	$ -	$ -	$ 139,383
Construction in progress	100,000	813,620	(100,000)	813,620
Total non-depreciable assets	239,383	813,620	(100,000)	953,003
Depreciable capital assets:				
Buildings and improvements	42,434,655	82,167	100,000	42,616,822
Machinery and equipment	3,364,522	362,314	(166,293)	3,560,543
Total depreciable assets	45,799,177	444,481	(66,293)	46,177,365
Less accumulated depreciation:				
Buildings and improvements	15,353,370	828,961	-	16,182,331
Machinery and equipment	2,096,868	326,188	(166,293)	2,256,763
Total accumulated depreciation	17,450,238	1,155,149	(166,293)	18,439,094
Total depreciable assets, net	28,348,939	(710,668)	100,000	27,738,271
	$ 28,588,322	**$ 102,952**	**$ -**	**$ 28,691,274**

Depreciation expense has been allocated to the following functions: general support $198,623, instruction $850,260, school lunch $10,097, and pupil transportation $96,169.

At June 30, 2018, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	$ 28,691,274
Defeasance loss	14,534
Cash and other receivables in capital projects fund, net of related payables	2,164,646
Bonds anticipation notes payable	(754,673)
Bonds and related premiums	(10,582,470)
	$ 19,533,311

6. Short-Term Debt

Aggregate bond anticipation notes (BANs) outstanding at June 30, 2018 amounted to $754,673 ($687,350 at June 30, 2017) and carry interest at 1.58% (1.25% at June 30, 2017). In 2018, BANs of $295,000 were issued and $227,677 were redeemed from appropriations. The District intends to continue to reissue the BANs until paid.

7. Long-Term Liabilities

	July 1, 2017	Increases	Decreases	June 30, 2018	Amounts Due in One Year
Bonds	$ 11,835,000	$ -	$ 1,425,000	$ 10,410,000	$ 1,465,000
Bond premiums	229,132	-	56,662	172,470	-
Compensated absences	5,152,000	-	199,000	4,953,000	851,000
	$ 17,216,132	**$ -**	**$ 1,680,662**	**$ 15,535,470**	**$ 2,316,000**

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds - 2012	June 2026	2.5%-3.0%	$ 10,195,000
Refunding bond - 2013	June 2019	2.0%-3.0%	215,000
			$ 10,410,000

Debt Service Requirements

Years ending June 30,	Principal	Interest
2019	$ 1,465,000	$ 310,150
2020	1,285,000	268,350
2021	1,325,000	229,800
2022	1,365,000	190,050
2023	1,405,000	149,100
2024-2026	3,565,000	189,150
	$ 10,410,000	**$ 1,336,600**

8. Pension Plans

Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.80% for 2018. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2018, these rates ranged from 9.4% - 21.7%.

The amount outstanding and payable to TRS for the year ended June 30, 2018 was $729,723. A liability to ERS of $102,858 is also accrued based on the District's legally required contribution for employee services rendered from April 1, 2018 through June 30, 2018.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

At June 30, 2018, the District reported a net pension asset of $352,039 for its proportionate share of the TRS net pension position and a net pension liability of $221,884 for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2017, and the total pension liability was determined by an actuarial valuation as of June 30, 2016, with update procedures applied to roll forward the net pension position to June 30, 2017. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2017, the District's proportion was 0.046315%, an increase of 0.002137 from its proportion measured as of June 30, 2016.

The ERS net pension position was measured as of March 31, 2018, and the total pension liability was determined by an actuarial valuation as of April 1, 2017. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2018 measurement date, the District's proportion was 0.0068749%, an increase of 0.0000096 from its proportion measured as of March 31, 2017.

For the year ended June 30, 2018, the District recognized pension expense of $1,193,417 on the government-wide statements (TRS expense of $867,278 and ERS expense of $326,139). At June 30, 2018, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 289,641	$ 137,256	$ 79,139	$ 65,397
Changes of assumptions	3,582,064	-	147,128	-
Net difference between projected and actual earnings on pension plan investments	-	829,153	322,269	636,127
Changes in proportion and differences between District contributions and proportionate share of contributions	18,071	140,450	152,556	4,575
District contributions subsequent to the measurement date	729,723	-	102,858	-
	$ 4,619,499	**$ 1,106,859**	**$ 803,950**	**$ 706,099**

District contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the year ending June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	TRS	ERS
2019	$ 63,734	$ 105,391
2020	929,973	85,241
2021	660,461	(134,415)
2022	150,629	(61,224)
2023	658,488	
Thereafter	319,632	-
	$ 2,782,917	**$ (5,007)**

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2016 valuation, with update procedures used to roll forward the total pension liability to June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

Inflation – 2.5%
Salary increases – Based on TRS member experience, dependent on service, ranging from 1.90% - 4.72%
Projected Cost of Living Adjustments (COLA) – 1.5% compounded annually
Investment rate of return – 7.25% compounded annually, net of investment expense, including inflation (7.50% for the 2016 measurement)
Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014, applied on a generational basis
Discount rate – 7.25% (7.50% for the 2016 measurement)

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

For ERS, the actuarial assumptions used in the April 1, 2017 valuation, with update procedures used to roll forward the total pension liability to March 31, 2018, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

Inflation – 2.5%
Salary increases – 3.8%
COLA – 1.3% annually
Investment rate of return – 7.0% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2014
Discount rate – 7.0%

The long-term expected rate of return on ERS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

	TRS		ERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	35%	5.9%	36%	4.6%
International equities	18%	7.4%	14%	6.4%
Private equities	8%	9.0%	10%	7.5%
Real estate	11%	4.3%	10%	5.6%
Inflation-indexed bonds	-	-	4%	1.3%
Domestic fixed income securities	16%	1.6%	-	-
Global fixed income securities	2%	1.3%	-	-
Bonds and mortgages	8%	2.8%	17%	1.3%
Short-term	1%	0.6%	1%	(0.3)%
Other	1%	3.9%	8%	3.8%-5.7%
	100%		**100%**	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 7.25% (TRS) and 7.0% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	$ (6,064,586)	$ 352,039	$ 5,725,643
District's proportionate share of the ERS net pension asset (liability)	$ (1,678,836)	$ (221,884)	$ 1,010,639

9. Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance benefits for District employees and their spouses based on various bargaining unit agreements and individual contracts. Eligibility for benefits is based on covered employees who retire from the District at age 55 or older and have met vesting requirements. The Plan provides an implicit rate subsidy for retirees that choose to remain on the District's healthcare plans subsequent to retirement. The retiree pays the entire amount of the monthly insurance premium. The Plan has no assets, does not issue financial statements, and is not a trust.

At June 30, 2018, employees covered by the Plan include:

Active employees	171
Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	-
	224

Total OPEB Liability

The District's total OPEB liability of $1,598,229 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates – initially 7.5%, decreasing 0.5% per year to an ultimate rate of 4.5% after 2022
Salary increases – 3.31%
Mortality – RP-2014 Adjusted to 2006 Total Data Set Mortality Table projected to the valuation date with Scale MP-2016, fully generational
Discount rate – 3.0% based on a yield or index rate for 20-Year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date
Inflation rate – 2.6%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	$ 1,588,609
Changes for the year:	
Service cost	72,974
Interest	43,287
Changes of benefit terms	-
Differences between expected and actual experience	333,963
Changes of assumptions or other inputs	-
Benefit payments	(440,604)
Net changes	9,620
Balance at June 30, 2018	$ 1,598,229

The following presents the sensitivity of the District's total OPEB liability to changes in the discount rate, including what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (2.0%)	Discount Rate (3.0%)	1.0% Increase (4.0%)
Total OPEB liability	$ (1,725,315)	$ (1,598,229)	$ (1,478,219)

The following presents the sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rates, including what the District's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (6.50% to 3.50%)	Discount Rate (7.50% to 4.50%)	1.0% Increase (8.50% to 5.50%)
Total OPEB liability	$ (1,393,806)	$ (1,598,229)	$ (1,842,925)

OPEB Expense and Deferred Outflows of Resources

For the year ended June 30, 2018, the District recognized OPEB expense of $146,621. At June 30, 2018, the District reported deferred outflows of resources related to OPEB of $303,603 for differences between expected and actual experience. Such amounts will be recognized in OPEB expense as follows:

Years ending June 30,		
2019	$	30,360
2020		30,360
2021		30,360
2022		30,360
2023		30,360
Thereafter		151,803
	$	**303,603**

10. Risk Management

General Liability

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Health Insurance

The District participates in the Genesee Area Healthcare Plan (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 24 participating members as of June 30, 2017 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2017, which can be obtained from Genesee Valley BOCES, 80 Munson Street, LeRoy, NY 14482.

Workers' Compensation

The District participates in the Genesee County Self-Insurance Workers' Compensation Plan (the Plan) sponsored by Genesee County. The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 47 members as of December 31, 2017 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. To date, these supplemental assessments have not been required.

The Plan has published its own financial report for the year ended December 31, 2017 which can be obtained from Genesee County Self-Insurance Workers' Compensation Plan, 15 Main Street, Batavia, NY 14020.

11. Commitments and Contingencies

Grants

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and are subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

Construction Commitments

The District has entered into contracts with various construction companies for its ongoing capital project. District voters approved spending up to $18,452,902 and the District currently has open commitments totaling $2,291,000.

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System

As of the measurement date of June 30,	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.046315%	0.044178%	0.044391%	0.043960%	0.045931%
District's proportionate share of the net pension asset (liability)	$ 352,039	$ (473,160)	$ 4,610,808	$ 4,896,911	$ 302,339
District's covered payroll	$ 7,339,377	$ 6,817,044	$ 6,805,183	$ 6,580,736	$ 6,788,265
District's proportionate share of the net pension position as a percentage of its covered payroll	4.80%	6.94%	67.75%	74.41%	4.45%
Plan fiduciary net position as a percentage of the total pension liability	100.66%	99.01%	110.46%	111.48%	100.70%

Data prior to 2013 is unavailable.

The following is a summary of changes of assumptions:

	2017	2016	2015
Inflation	2.5%	2.5%	3.0%
Salary increases	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%
Cost of living adjustments	1.5%	1.5%	1.625%
Investment rate of return	7.25%	7.5%	8.0%
Discount rate	7.25%	7.5%	8.0%
Society of Actuaries' mortality sca	MP-2014	MP-2014	AA

Required Supplementary Information
Schedule of District Contributions
New York State Teachers' Retirement System

June 30,	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 729,723	$ 860,175	$ 903,940	$ 1,168,923	$ 1,055,215	$ 796,575
Contribution in relation to the contractually required contribution	(729,723)	(860,175)	(903,940)	(1,168,923)	(1,055,215)	(796,575)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,446,153	$ 7,339,377	$ 6,817,044	$ 6,805,183	$ 6,580,736	$ 6,788,265
Contributions as a percentage of covered payroll	9.80%	11.72%	13.26%	17.18%	16.03%	11.73%

Data prior to 2013 is unavailable.

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2018	2017	2016	2015
District's proportion of the net pension position	0.0068749%	0.0068653%	0.0070527%	0.0066416%
District's proportionate share of the net pension liability	$ 221,884	$ 645,081	$ 1,131,975	$ 224,368
District's covered payroll	$ 2,331,766	$ 2,308,649	$ 2,075,859	$ 1,916,607
District's proportionate share of the net pension position as a percentage of its covered payroll	9.52%	27.94%	54.53%	11.71%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%

Data prior to 2015 is unavailable.

The following is a summary of changes of assumptions:

	2016	2015
Inflation	2.5%	2.7%
Salary increases	3.8%	4.9%
Cost of living adjustments	1.3%	1.4%
Investment rate of return	7.0%	7.5%
Discount rate	7.0%	7.5%

Required Supplementary Information
Schedule of District Contributions
New York State and Local Employees' Retirement System

June 30,	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 338,197	$ 346,515	$ 409,084	$ 365,998	$ 417,270	$ 347,923
Contribution in relation to the contractually required contribution	(338,197)	(346,515)	(409,084)	(365,998)	(417,270)	(347,923)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,331,766	$ 2,308,649	$ 2,075,859	$ 1,916,607	$ 1,974,974	$ 2,001,052
Contributions as a percentage of covered payroll	14.50%	15.01%	19.71%	19.10%	21.13%	17.39%

Data prior to 2013 is unavailable.

Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios

June 30, 2018

Total OPEB liability - beginning	$ 1,588,609
Changes for the year:	
Service cost	72,974
Interest	43,287
Changes of benefit terms	-
Differences between expected and actual experience	333,963
Changes of assumptions or other inputs	-
Benefit payments	(440,604)
Net change in total OPEB liability	9,620
Total OPEB liability - ending	$ 1,598,229
Covered-employee payroll	$ 9,483,905
Total OPEB liability as a percentage of covered-employee payroll	16.85%

Data prior to 2018 is unavailable.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Supplementary Information
Schedule of Change from Original to Final Budget and Calculation of Unrestricted Fund Balance Limit - General Fund

For the year ended June 30, 2018

Original expenditure budget	$	22,767,497
Encumbrances carried over from prior year		130,137
Revised expenditure budget	$	22,897,634

* * *

Unrestricted Fund Balance		
Assigned	$	529,115
Unassigned		921,204
		1,450,319
Encumbrances included in assigned fund balance		(229,115)
Appropriated fund balance used for tax levy		(300,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$	921,204
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation		
2019 expenditure budget (unaudited)	$	22,998,010
4% of budget		919,920
Actual percentage of 2019 expenditure budget		4.0%

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2018

Project Title	Original Budget	Revised Budget	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
2017-2018 Bus Purchases	$ 303,960	$ 293,328	$ 20,679	$ 272,649	$ 293,328	$ -
2017-2018 Capital Outlay Project	100,000	82,167	-	82,167	82,167	-
2018 Capital Improvements Project	18,452,902	18,452,902	-	813,620	813,620	17,639,282
	$ 18,856,862	$ 18,828,397	$ 20,679	$ 1,168,436	$ 1,189,115	$ 17,639,282

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor Number	Expenditures
U.S. Department of Education:			
Passed Through New York State Education Department			
Special Education Cluster:			
Special Education Grants to States	84.027	0032-18-0278	$ 256,129
Special Education Preschool Grants	84.173	0033-18-0278	10,843
Total Special Education Cluster			266,972
Title I Grants to Local Educational Agencies	84.010	0021-18-1005	248,157
Supporting Effective Instruction State Grants	84.367	0147-18-1005	45,168
Total U.S. Department of Education			560,297
U.S. Department of Agriculture:			
Passed Through New York State Education Department			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	55,067
National School Lunch Program	10.555	N/A	166,839
Summer Food Service Program for Children	10.559	N/A	12,198
Total Child Nutrition Cluster			234,104
Child Nutrition Discretionary Grants Limited Availability	10.579	0005-17-0006	15,429
Passed Through New York State Office of General Services			
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	25,604
Total U.S. Department of Agriculture			275,137
Total Expenditures of Federal Awards			$ 835,434

See accompanying notes.

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs administered by Byron-Bergen Central School District (the District), an entity as defined in Note 1 to the District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

Basis of Accounting

The District uses the modified accrual basis of accounting for each federal program, consistent with the fund basis financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Indirect Costs

The District does not use the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

Non-Monetary Federal Program

The District is the recipient of a federal award program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2018, the District used $25,604 worth of commodities under the Child Nutrition Discretionary Grants Limited Availability program (CFDA Number 10.579).

Lumsden McCormick LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Education
Byron-Bergen Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Byron-Bergen Central School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 27, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lumsden & McCormick, LLP

September 27, 2018

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Education
Byron-Bergen Central School District

Report on Compliance for Each Major Federal Program

We have audited Byron-Bergen Central School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lumsden & McCormick, LLP

September 27, 2018

Schedule of Findings and Questioned Costs

For the year ended June 30, 2018

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	CFDA #	Amount
Special Education Cluster:		
Special Education Grants to States	84.027	$ 256,129
Special Education Preschool Grants	84.173	10,843
		$ 266,972

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.

APPENDIX C

Description of Undertaking to Provide Notices of Certain Events

Description of Undertaking to Provide Notices of Certain Events

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District will provide an executed copy of its “Undertaking to Provide Notices of Certain Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board (the “MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) Defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

(m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material: and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) listed above is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) listed above the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to events (o) and (p) listed above, the term "financial obligation" means a (i) debt obligation: (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

For the purposes of the event (l) listed above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule upon review of nationally recognized bond counsel.